

WORKFORCE DEVELOPMENT COUNCIL

Minutes of March 26, 2002

Introduction of New Council Members

Chair Karen McGee called the Council to order at 9:00 a.m. She welcomed Jim Hawkins as a member of the Council. Jim served on the Idaho Job Training Council until his retirement as Director of the Department of Commerce six years ago. Jim is currently Managing Partner of Highway 12 Ventures, Inc. Max McClintick joins the Council with a long history in workforce development, Chair McGee remarked. Max started his career as CEO of Pack River Management Company, and was Executive Director of UI College of Natural Resources. He is currently Owner and President of Double A Food and Sauce Company. Both new members represent the private sector.

Consent Agenda (Transmittals #1, #2 and #3)

Gary Stivers moved and Jim Hawkins seconded to accept the consent agenda, including the minutes of the October 30, 2001 meeting, Recertification of Local IdahoWorks Boards (Transmittal #1), Workforce Development Training Fund—Guideline Modification (Transmittal #2) and Procurement Issues under WIA (Transmittal #3). The motion passed unanimously.

Update from the Chair

Chair McGee reported on the National Association of State Workforce Board Chairs' Spring Meeting, held in Washington D.C., February 23 and 24. Chair McGee stated with WIA reauthorization on the horizon there is a renewed focus on WIA and state and local workforce boards. There is widespread recognition of business as the primary customer of the system, and workforce boards should be business driven. It is very important for the Workforce Development Council to send its message to Washington D.C. regarding what it is we want to see from the workforce development system. The states need to engage in an effective dialogue with the federal level to impact policy formulation and reauthorization. The Governors are emphasizing the need to link economic development and workforce development. It is equally as important to link education to the system and to bring education to the table. Idaho is sending a team to the Competitiveness Forum next week in Denver, which will focus on how to bring economic development, workforce development, and education together more effectively in the state. Chair McGee is serving on a panel created by Emily DeRocco, U.S. Department of Labor, to look at priorities for research and development for the workforce system.

WIA Annual Report

Cheryl Brush, Idaho Department of Labor, introduced the WIA Annual Report for Program Year 2000. She noted that state and local workforce development partners elected to submit a more comprehensive report than the one required by the WIA. The

more comprehensive report was done to reflect the variety of programs in Idaho's workforce system and the level of partnership required to achieve success for system customers.

Cheryl remarked that the report was organized into four sections. The first section describes the system leadership and organization. The second section incorporates reports from each region and includes customer success stories. The third section includes reports from each of the state partners and the final section is the required WIA Title IB Report. Ruth Rathbun and Coleen Erickson remarked that they liked the personal stories. Ruth suggested that Chair McGee share the report with the members of the National Association of State Workforce Board Chairs.

Performance Committee Report

Committee Chair Emma Gebo noted that the Performance Committee met earlier in the morning to review the Incentive Fund and Eligible Training Provider transmittals. Emma mentioned that the Performance Committee had lost some members and she requested that additional Council members be appointed to the Committee.

WIA Performance and Incentive Fund Modification (Transmittal # 4)

Emma explained that Idaho's WIA PY 2001 state budget reserves 10% of the State 15% Reserve, or approximately \$158,000, to support incentive allocations to the six *IdahoWorks* areas based on exemplary performance. Emma noted that Idaho's Strategic Five Year Plan calls for using a similar process for determining local eligibility for incentive funds as the USDOL utilizes to determine State eligibility for incentives.

However, Emma explained that there are several issues with the WIA performance measures system and that a recent United States General Accounting Office (GAO) study concluded, "Given the challenges states have faced in implementing the new performance measurement system, more time is needed before the measures can meaningfully gauge the success of the programs." Further, the report includes recommendations that the USDOL delay the application of financial sanctions for at least one year to enable states more time to develop their data systems and that the USDOL consider fully funding the Wage Record Interchange System to facilitate the sharing of Unemployment Insurance (UI) wage record data across state lines.

Emma mentioned that staff agreed with the GAO study and believe that the study's findings also suggest that Idaho's current incentive policies be revised. The Committee reviewed a table depicting the State's and six local areas' performance for PY 2001. Overall, the data shows that Idaho made good progress in implementing WIA. The State met or exceeded all 17 core measures. However, at the local level, some areas did not meet all the standards and staff believe that this is largely the result of the issues cited in the GAO study.

Emma explained that under the current incentive policies, three areas (regions 1, 3 and 5) would qualify for incentives, while regions 2, 4 and 6 would not be eligible. It is important to note that these areas' substandard performance was on the earnings related measures. These measures are especially impacted by the problems associated with the UI wage record data, as these measures are based solely on UI data and no supplemental reporting is allowed. Also, the outcome data for the PY 2000 UI wage based measures is based on exiters from the last three quarters of JTPA (October 1999 to June 2000) and the first quarter of WIA (July 2000 to September 2000). Considering the above, the Committee agreed that the current incentive fund policies should be delayed.

Emma Gebo moved and Steve Ahrens seconded to delay the current incentive allocation policies until PY 2002 WIA performance data is available. Also, as all six areas made significant progress in PY 2000 implementing WIA, the \$158,000 in incentive funds will be equally divided among all the areas. A similar allocation process will be utilized for PY 2001 contingent upon continued successful implementation of WIA. Motion carried.

Chair McGee noted that she had concerns regarding the performance measures and she would like the Performance Committee to develop recommendations on how the performance accountability system can be simplified and improved.

WIA Eligible Training Provider Waiver (Transmittal #5)

Emma stated that the Performance Committee reviewed the proposed waiver to the WIA Eligible Training Provider requirements. Under WIA, States are allowed to use the initial eligibility process for Eligible Training Providers (ETPs) for eighteen months. After this period, States are required to implement the subsequent eligibility requirements outlined in Section 122 (c) and (d) of the WIA legislation. These provisions require that training providers provide outcome data, not only on the WIA participants, but on all students that are served through their programs. Staff are concerned that the WIA subsequent eligibility requirements cannot be effectively or economically implemented in Idaho and that pursuing this course will result in a dramatic reduction in the number of training providers that will be willing to participate in the WIA system. Thus, staff are recommending that Idaho submit a request to the USDOL to waive several provisions of the Act that pertain to subsequent eligibility and to propose an alternative process to accomplish this activity.

Emma noted that Transmittal #5 outlined the key provisions of the waiver request. While the waiver will involve considerable effort to implement, it is far less burdensome than creating a system that involves all students or one that is based on WIA performance criteria and UI wage records data. The waiver is built upon information currently available in Idaho's WIA Management Information System, is more timely and allows the local boards a great deal of flexibility in addressing the subsequent eligibility decisions. The waiver request has been developed based on extensive consultation with the Idaho workforce system including public and private training providers, One Stop service providers, local boards and staff and organized labor. All entities have voiced

concern regarding the WIA provisions for subsequent eligibility and have endorsed the proposed process outlined in this waiver request. The Committee agreed that the proposed waiver would provide the *IdahoWorks* Boards a better process for reviewing training programs and for establishing an Eligible Training Provider list.

Emma Gebo moved and Ruth Rathbun seconded to approve the waiver to the WIA Eligible Training Provider requirements outlined in Transmittal #5. Motion carried.

2002 Legislative Update (Transmittal # 6)

Dwight Johnson provided an update of the status of state legislation affecting workforce development issues, noting the legislature had acted favorably on most of these bills.

Some discussion followed regarding the reduction in state funds this year for education and the impact of this on existing programs and on the future workforce of Idaho. Representatives of higher education indicated that the various institutions will be evaluating programs for continued viability and trying to find creative ways to deliver the higher priority services. Council members agreed that job creation and an improved economy should help restore educational funding in the future.

Federal Initiatives (Transmittal # 7)

Idaho Department of Labor - Pat Debban, Idaho Department of Labor, summarized the federal initiatives which impact programs under its direction, referring to the summary in Transmittal 7.

- The President's Budget Proposal, which includes:
 - Level funding for the Employment Service and the Reemployment Services programs, a decrease in base funding for the Unemployment Insurance program, and a decrease in overall funding for the Workforce Investment Act program. Pat noted that USDOL is estimating significant levels of unspent carryover funds in WIA from the 2002 to 2003, which USDOL believes will mitigate this decrease in allocations to the states. State staff believe, however, that carryin funds will be far less than the levels anticipated by USDOL, because of the increased demand for WIA services and the escalating expenditure rates in Idaho.
 - Elimination of targeted funding for Migrant and Seasonal Farmworker programs currently funded from WIA. (Idaho currently receives approximately \$1 million in funding to the Idaho Migrant Council.)
 - A proposal to move oversight, administration and funding for the Local Veterans Employment Representative (LVER) and Disabled Veterans Outreach Program (DVOP) programs from the USDOL to the Veterans' Administration. These programs are currently operated by Idaho Department of Labor.
 - USDOL's intent to proceed with the rescission of WIA Dislocated Worker funds.

- Short Term Reform – The “Job Creation and Worker Assistance Act of 2002”. On March 7 Congress passed and sent to the President for signature HR 2090, an economic stimulus package including:
 - A temporary, federally funded two-tiered extension of Unemployment Insurance (UI) benefits.
 - \$9.2 billion in special “Reed Act” funds to states for expansion of UI benefits, enhanced Reemployment Services through One Stop Centers, shoring up UI trust fund reserves, and/or reducing employer payroll taxes. Idaho expects to receive approximately \$32 million under this Reed Act distribution, \$7 million of which was authorized by the Idaho Legislature to be used by the Idaho Department of Labor for administration; the balance of which will remain in the UI Trust Fund.
 - A two-year extension of the Work Opportunity and Welfare-To-Work Tax Credits.
- Long Term Reform – Unemployment Insurance / Employment Service Reform. The proposal includes a major UI/ES reform initiative that would eventually shift responsibility for financing UI and ES administration and service delivery from the federal government to the states.
- WIA Reauthorization. Congress is scheduled to take up reauthorization of WIA in 2003. In the meantime, the General Accounting Office and the USDOL are gathering information on improving the links between Temporary Assistance for Needy Families (TANF) (which must be reauthorized this year), the WIA Title I One Stop system, and the Employment Service.

TANF Reauthorization - DHW Director Karl Kurtz referred the Council to a four page summary of the TANF reform proposal in Transmittal # 7. Director Kurtz noted that the key points are the Bush Administration proposal for full funding and flexibility to transfer funds. He pointed out that child care subsidies are a particularly important use of these transferred funds in Idaho. He also remarked that he had the opportunity to testify on the reform proposal and attend a White House briefing. He offered that he saw many opportunities in the new bill, but expressed concern that the additional hours of work required in the proposal may pose a challenge in Idaho where recipients can be disqualified when they earn too much money after working 17-18 hours per week. Director Kurtz said he was very pleased with the opportunity for a “Super Waiver” which would allow many programs to work better together. He concluded his remarks by assessing that he saw the proposal as 80% positive with only work requirements offering a challenge to the Idaho system.

Older Americans Act - ICOA Director Lois Bauer announced the passage of the Older Americans Act and invited the Council members to attend a special listening session on the program regulations hosted by Josefina Carbonell, Assistant Secretary for Aging. Director Bauer noted that they would be offering comments during the session that would be held from 9:00 to noon on April 2 in Boise. Melinda Adams, ICOA, remarked that the legislation allows the Older Americans Act to have stronger connections with other programs. She noted that the performance measures include placement, retention and customer satisfaction and also examine the value of the community services offered by

the seniors. Chair McGee offered to have Allison McClintick speak at the session to represent the Workforce Development Council.

Jobs for America's Graduates (JAG) (Transmittal # 8)

Shirley Silver and Mike Rush, both with the Division of Professional-Technical Education (PTE), provided an overview of JAG, a dropout prevention, school-to-career, and dropout recovery program for at-risk and disadvantaged youth and which has been piloted at three sites across the state since 2001—Pocatello, Magic Valley, and Lewiston. Mike reminded Council members that the original funding for this program was provided as seed money with the notion that if proven successful, continued funding could come from local resources. With pilot programming coming to an end September 30, sources for continuation funding are now being explored. Educational institutions acting as host sites for the three pilot programs have indicated that they could provide space and overhead, but funding is needed for the job placement specialists and the annual fee for affiliation with the national JAG program. Program staff have been making presentations and trying to locate local funds to sustain their programs, but no local boards have guaranteed funding for next year. Mike suggested that the \$12,500 national affiliation fee could be better spent on services to youth and recommended that the JAG concept be considered for continuation without the national JAG affiliation. Council members agreed that if the program was continued, the JAG affiliation/label should be discontinued. Mike suggested that the Council consider use of incentive funds available to the state through WIA and the Carl Perkins Act to sustain the program.

In response to inquiries from Council members, local board staff indicated that they had discussed JAG locally and that while they supported it in concept, local fund availability is such that there is some uncertainty as to whether it can be sustained with local resources. Some of the boards are exploring various possibilities for funding.

After lunch, Chair McGee advised Council members it would be premature to consider any specific usage of incentive funds until all possible uses had been explored. She added that since the original concept was for local boards to consider picking up JAG after the pilot period ended, she thought that local boards should be allowed time to complete their deliberations on this. She asked Mike if a decision in June would be too late and Mike indicated that PTE would like to explore some other possibilities and that while June would be too late for personnel considerations, perhaps a conference call at an earlier date would suffice. Chair McGee agreed to further consider the issue after PTE's completed exploration of other alternatives.

Vocational Rehabilitation Grant Application

Barry Thompson, Administrator of the Idaho Division of Vocational Rehabilitation, advised the Council that IDVR is in the final year of a five year grant to serve Migrant and Seasonal Farm Workers (MSFWs) and is submitting an application for a new five year grant for this purpose. Mr. Thompson noted that Idaho recognized the need for these services before the federal program was implemented over 30 years ago. While it is

not the same across the country, Idaho's MSFW population is primarily Hispanic with low educational achievements, few transferable skills, and an inability to communicate in English. He noted that the problems encountered by this population because of disability are monumental.

To address these issues for those who have become disabled and can no longer work, VR has collaborated with BSU to offer English as a second language, vocational English, basic math, basic computer skills and interpersonal skills in the workplace. VR is dedicated to offering these individuals a second career, not a job. At the conclusion of the grant, VR is proposing to offer these services on a fee basis.

Mr. Thompson also reported that Vocational Rehabilitation received its fair share of cuts from the general fund for state fiscal year 2003. IDVR believes it will be able to continue business in 2003 without major reductions in capacity and services. Eighty percent (80%) of IDVR's budget is federally funded.

Meeting of the National Association of Workforce Boards (NAWB)

Millie Flandro summarized the recent NAWB conference in Washington, D.C. for Council members, noting that it had been divided into tracks on a variety of topics and that there had been a lot of discussion on the need for partnering among workforce development organizations in the delivery of services.

Update from Council Chair – NASWB Chairs White Paper (Transmittal # 9)

Chair McGee distributed copies of a white paper entitled “Building a World-Class Workforce”, developed by the National Association of State Workforce Board Chairs, which contains a series of recommendations that the Association would like considered in the reauthorization of WIA. She added that after the paper is finalized at the end of April, it will be shared with governors, legislators, partners, and employers and invited comments from Council members to be submitted to her prior to the end of April.

Council members commented that a need exists for business involvement in workforce development issues, that data collection and performance management should be based on the most meaningful data available, that cooperation and coordination among partners is critical for such issues as the sharing of participant information and that USDOL should consider shifting its role from regulatory in nature to one of technical assistance.

Chair McGee then reported that a subcommittee of the national association has been examining the need for the Workforce Excellence Network and Leadership Institute and attempting to define what excellence initiatives will best benefit local programs. Suggestions from Council members and guests included identifying ways to evaluate the success of programs, providing more flexibility for local boards, identifying ways for local boards to share successful models with other local entities, and convening Youth Councils and local boards to further explore this topic.

Dell Success Story

Jerry Beck recounted the many partners, contributions and quick actions that were taken to encourage Dell Computer Corporation to select Twin Falls as the site for their new call center. Jerry noted that there were many opportunities for “deal breakers” to occur but that everyone responded quickly and were able to coordinate a response that kept the interest of Dell Computers. He particularly thanked the Governor, Albertson’s, Roger Madsen and Gary Mahn and their staff for their many contributions to the effort. Jerry said that Dell had employed 306 people for this new location.

Commerce Director Gary Mahn recognized the contributions of Jerry and CSI for helping to make this happen. He also noted the importance of the Workforce Development Training Fund (WDTF) and thanked the Council for giving the two directors the flexibility they needed to negotiate with Dell. Labor Director Roger Madsen also thanked Jerry and recognized the important role CSI played in making this a successful endeavor. Director Madsen also shared remarks concerning the success of the Workforce Development Training Fund and the positive response from Dell to Job Service’s efforts. Director Mahn said that the Dell WDTF investment will be paid back quickly and is already having a positive impact on other recruitment efforts.

Judy Welker, Job Service Field Services Manager, shared the process the Magic Valley Job Service used to assist Dell in its hiring. After meeting with Dell staffing managers to learn their processes, the Job Service installed eight new telephone lines and hired staff to support the interviewing process which was conducted from 7:00 in the morning until 9:00 at night. The first interview was conducted via an automated assessment, with successful candidates told to submit a resume to Job Service, who then conducted a more intensive interview before they are referred to Dell. As of the date of the meeting, 4,200 calls had been made, 1,721 passed the automated screening, follow-up screening was conducted with 1,676 of the applicants with 700 scheduled for interviews with the company. Job Service has also interviewed applicants who were not selected for an interview to determine if they were interested in the CSI preparatory class.

Association of Idaho Cities

Ken Harward, Executive Director, Association of Idaho Cities (AIC), provided the Council with a substantial briefing package and summary of the Association’s activities. Mr. Harward shared the AIC initiatives on Youth Asset Building, Drug-Free Work Places, Diversity and Community Development.

Mr. Harward introduced Deb Krum, Asset Development Coordinator with AIC, and explained that the asset approach was developed by the Search Institute and considers 40 developmental assets that assist youth succeed in today’s world. He said there were 32 Promise Fellows working through AmeriCorps and National Community Service to assist Idaho cities become positive communities for Idaho’s young people. Council members were given a packet of information containing descriptions of Idaho cities which are involved in building asset coalitions to improve the environment for healthy youth. He

also pointed out the school districts that had surveyed their youth to determine the status of youth in their districts. He concluded by saying that asset building is an attitude, not a program and that the effort is built on the premise that prevention is better than repair.

He then introduced Jill Chestnut who heads up DrugFree Idaho. The goal of the initiative is to create a higher quality of life by creating drug-free workplaces. The initiative provides assistance in policy development and training to assist businesses adopt drug-free workplace practices. He also pointed out that the AIC participates in a diversity initiative to work with city and community leaders. Michael Shaw was introduced as the Human Rights Coordinator for AIC and will be available to facilitate discussions and provide training around issues of human dignity. He concluded his remarks by sharing the AIC Community Development initiative. Communities are asked to focus on three areas, surveys are done to test the perception of the community and expert advice is provided.

The Council thanked Mr. Harward for his excellent presentation.

New Business

The next meeting of the Council was scheduled for June 20. There was a suggestion to invite local WIB and Youth Council Chairs for a morning roundtable to discuss such topics as effective performance measures, facilitating local partnering, challenges faced by local boards, and best practices among local entities.

The meeting was adjourned at 2:30 p.m.

Attendance:

Workforce Development Council
March 26, 2002

Council Members:

Steve Ahrens
Lois Bauer
Jerry Beck
Mark Briggs
Richard Cortez (absent)
Coleen Erickson
Millie Flandro
Emma Gebo
Jim Hawkins
Marilyn Howard (absent)
Karl Kurtz
Roger Madsen
Gary Mahn
Karen McGee
Max McClintick
Ruth Rathbun
Charles Ruch
Shirley Stensgar (absent)
Gary Stivers
Dave Whaley

Dwight Johnson
Shelia Jones
Patricia Kempthorne
Pamela Langley
Brian Langley
Ivan Leonhardt
Maggie Manzo
Ralph Marshall
John McAllister
Allison McClintick
Candy McElfresh
Chuck Mollerup
Bob Perky
Dania Rivers
Judie Rowbury
Mike Rush
Ray Sanders
Ethna Scaraglino
Shirley Spencer
Shirley Silver
Charles Sullivan
Alice Taylor
Barry Thompson
Judy Welker

Guests:

Toni Acarregui-Gable
Melinda Adams
Bill Brewer
Stan Brings
Cheryl Brush
Terry Butikofer
Susan Choate
Pat Debban
Laura Gleason
Michael Graham
Doug Gray
Sam Greer
Kathy Hagler
Larry Hertling